Mutual of America Financial Group℠

Retirement Services • Investments

RETIREMENT INSIGHTS

The Power of Staying Invested

For many investors, simply staying on course and riding out the downturn typically leads to the better outcome.

If you've been watching the value of your retirement savings moving up and down like a rollercoaster this year, it might be helpful to take a deep breath and hold on.

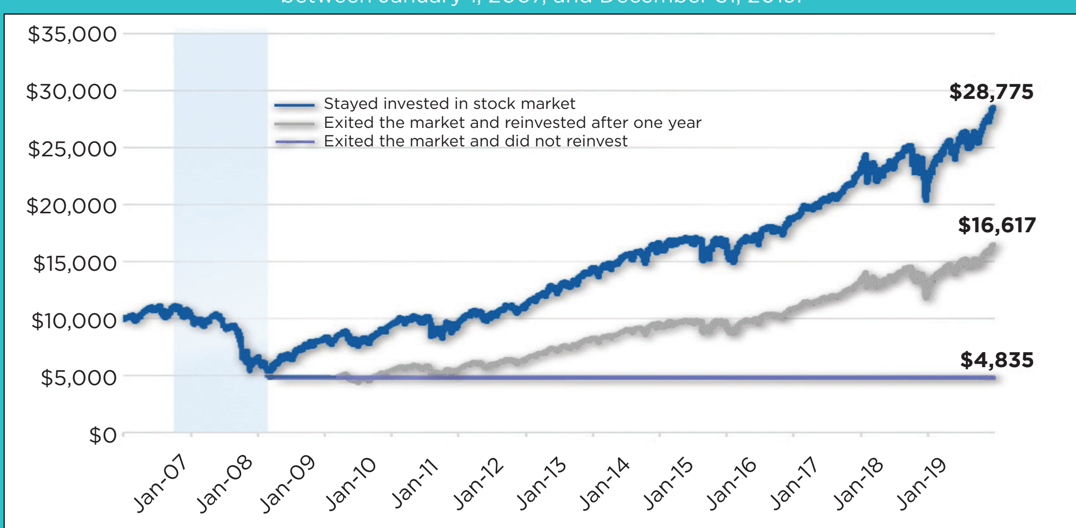
No doubt the ride has been stressful, especially after the markets plummeted in March, rebounded in April and have remained unpredictable since then. So, if you've thought about withdrawing your savings along the way to potentially avoid another dip in its value, you may want to think again.

First, it's important to remember that the money you're contributing into your retirement plan is for your future and not for a short-term goal like a summer vacation. Second, by leaving your retirement savings alone, especially after a steep drop in the markets reduces its value, you will have the opportunity to benefit from future gains when the market eventually bounces back, as it has historically (although there is no guarantee that will always happen).

Take the money out when the market is down, and that opportunity disappears. How so?

The Power of Staying Invested

Comparison of end wealth values after the December 2007–June 2009 recession.
Returns of S&P 500® Index: Hypothetical performance of a $10,000 investment between January 1, 2007, and December 31, 2019.



The chart above is for illustrative purposes only and does not represent the performance of any investment or group of investments. Past performance is no guarantee of future results. The S&P 500® Index is an unmanaged stock index generally considered to be representative of the U.S. stock market. It is not possible to invest directly in an index. Source: S&P 500® Index total returns; FactSet.

Continued on other side.

The chart on the reverse side, which is based on the hypothetical performance of a $10,000 investment from 2007 through 2019, shows how staying invested in the market rather than getting out at the bottom can make a significant difference over time. The comparison of three hypothetical investors' actions during the 2008–09 Financial Crisis, when the value of their initial $10,000 investment dropped by half, reveals just how much better those who stayed invested in the market might have fared than those who sold at the bottom.

In looking at today's turbulent financial markets, because it's impossible to know for certain whether the low point has been reached, staying true to your long-term goals and continuing to contribute to your retirement plan despite the market volatility is crucial. However, it is important to note that regular investing neither ensures a profit nor protects against a loss.

"The bottom line is, if you have an asset allocation that is appropriate and prudent based on your age, risk tolerance and expected retirement date, then it is generally best to stay the course rather than make hasty decisions that may hurt your portfolio's performance over time," said Brian Severin, Executive VP and Deputy CMO, Mutual of America Financial Group. ■

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Brian Severin, Executive VP and Deputy CMO, Mutual of America Financial Group

If you have questions about saving for retirement, please contact your local Mutual of America representative, or 800.468.3785. For more retirement insights, visit mutualofamerica.com.

You should consider the investment objectives, risks, and charges and expenses of the variable annuity contract and the underlying investment funds carefully before investing. This and other information is contained in the contract prospectus or brochure and underlying funds prospectuses and summary prospectuses, which can be obtained by calling 800.468.3785 or visiting mutualofamerica.com. Read them carefully before investing.

Mutual of America's group and individual retirement products are variable annuity contracts and are suitable for long-term investing, particularly for retirement savings. The value of a variable annuity contract will fluctuate depending on the performance of the Separate Account investment options you choose. Upon redemption, you could receive more or less than the principal amount invested. A variable annuity contract provides no additional tax-deferred treatment of benefits beyond the treatment provided to any qualified retirement plan or IRA by applicable tax law. You should consider a variable annuity contract's other features before making a decision.

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